Improving the Working of Nationalised Banks

1934. SHRI ANANT RAM JAISWAL:
SHRI SATYA PRAKASH MALAVIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether, of late, Government have made any assessment with regard to the working of the Nationalised Banks in the matter of efficiency and customer services; and

(b) if so, what are the details thereof stating the deficiencies if any identified in the working of the nationalised banks responsible for the inefficient and slack services; and

(c) the measures contemplated by Government to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) A High Level Committee was constituted by the Government in August, 1991 under the chairmanship of Shri M. Narasimham to examine all aspects relating to structure, organisation, functions, and procedures of the financial system. The Committee was also required to make recommendations for improving the efficiency and effectiveness of the system with particular reference to economy of operations, accountability and profitability of commercial banks and financial institutions. Some of the deficiencies identified in the working of the banks were management deficiencies, lack of sufficient delegation of authority, inadequate internal controls, deterioration in house keeping, weaknesses in internal organisational structure etc.

Initiatives taken pursuant to the recommendations of the Narasimham Committee include reduction in Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR), simplification of interest rate structure, prescribing of norms in respect of capital adequacy, income recognition and provisioning requirements, revision of Balance Sheet & Profit and Loss formats for ensuring greater transparency etc.

As regards improving customer service, the Goiporia Committee in its Report submitted to RBI, had made wide ranging recommendations covering (i) improvement of customer service by enlarging the scope of teller services, extending bank hours for non-cash transactions, drawing appropriate procedures to ensure uninterrupted service during business hours; (ii) opening of specialised branches focussing on international banking, industrial finance, small scale industries; (iii) technology upgradation and continuous review of systems and procedures in tune with the changing needs of customers, and (iv) compensating customers for delay in collection of cheques, payment by mail transfer, telegraphic transfer, etc. RBI have issued necessary instructions to the banks for implementation of the accepted recommendations of the Committee.

Under-Realisation of Sale Receipts of PSE Shares

1935. SHRI ANANT RAM JAISWAL:
SHRI MOHINDER SINGH LATHER:
SHRI SATYA PRAKASH MALAVIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the tenders received in the first phase of disinvestment in December, 1991 were non-competitive in majority of bids;

(b) if so, what is the number of bids where there was only one bidder and what were the reasons for such non-competitiveness;

(c) whether it is also a fact that the offers received in such tenders were far below the original reserve value of bundles and thereby it compelled Government to drastically reduce the original reserve price;

(d) if so, for each of the disinvested PSE share, what was the original reserve price per share, revised reserve price per share average realisation per share and

under realisation of value due to reduction in reserve price;

(e) whether Government have taken any action to fix responsibility for the gross under-realisation of sale receipts and the recovery of the loan due to such under realisation; and

(f) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (f) The information is being collected and will be laid on the Table of the House.

Bad Debts of Banks

1936. SHRI CHIMANBHAI MEHTA:
SHRI SUBRAMANIAN SWAMY:
SHRI MOHD. KHALEELUR RAHMAN:
SHRIMATI MIRA DAS:
SHRI G. G. SWELL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that bad debts of nationalsied banks are estimated between Rs. 10,000 crores and Rs. 35,000 crores; if so, in what manner this is going to be recovered;

(b) whether it is a fact that the above debts are reflected in the balance sheets of banks and assets and interest is compiled on that;

(c) which are the nationalised banks that have advanced bad debts and, the amount of bad debts advances, bankwise: and

(d) what is the number of debts holding bad debts above Rs. 10 crores and what are the names of 10 top defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The information is being collected and will be laid on the Table of the House.

Rise in Consumer Price Index

1937. SHRI CHIMANBHAI MEHTA:
SHRI SOM PAL:
SHRI G. G. SWELL:
SHRIMATI MIRA DAS:
SHRI SUBRAMANIAN SWAMY:

Will the Minister of FINANCE be pleased to state:

(a) what is the increase in the consumer price index since June, 1991 when Government came in power two years; ago;

(b) what are the details of the changes of the prices of essential commodities since June, 1991 till date:

(c) what is the increase in food subsidies and other subsidised commodities, commodity-wise increase;

(d) whether it is a fact that international lending agencies have stipulated decrease or abolition of subsidies, if so, what are the details thereof: and

(e) what are the ingredients or factors responsible for the rise in price during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The Consumer Price Index for Industrial Workers rose from 209 in June, 1991 to 234 by the end of May, 1992 representing an increase of 12 per cent. Thereafter the index rose further to reach 246 by May, 1993 representing an increase of 5.7 per cent.

(b) The Consumer Index for Essential Commodities rose from 201.9 in June, 1991 to 236.8 by the end of May, 1992 representing an increase of 17.3 per cent. Thereafter the index showed marginal increase upto August, 1992 but declined subsequently to reach 236.6 by May, 1993. Thus for the latest one year from June, 1992 to May, 1993 there was no increase in the Consumer Price Index of essential commodities on point-to-point basis.